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HEADLINE: Internet Access Dispute Cut Off Some Businesses

BYLINE: Arshad Mohammed, Washington Post Staff Writer

BODY:

Last week, the computers in Barbara F. Buckley's office in the District suddenly went blind to parts of the Internet.

A colleague at the Precursor Group, which analyzes the telecommunications industry for institutional investors, couldn't get online to send out the firm's research. Another couldn't download statistics from a government Web site.

"This is a disaster," Buckley, a Precursor vice president, recalled thinking. "A research firm is really only supposed to do two things and that is create the research and sell it, and we can't do either."

After a day of troubleshooting, Buckley finally found the "culprit." It was a dispute between Cogent Communications Group Inc. and Level 3 Communications Inc., two of the companies that move Internet traffic around the world seamlessly but, in this case, cut off many of their clients from parts of the Web.

Broomfield, Colo.-based Level 3 on Oct. 5 ended its agreement to exchange Internet traffic free with Washington-based Cogent. It cut their link, leaving Cogent clients such as Precursor unable to see parts of the Internet served only by Level 3, and vice versa.

With the Internet as vital to many businesses as the telephone, the incident prompted calls for the government to step in if the industry does not prevent such disruptions on its own.

"Does it require regulation? I think if the industry does not show itself to be more mature -- yeah," said David J. Farber, a former chief technologist at the Federal Communications Commission. He said his natural instinct is to avoid regulation "if you can get more sane solutions from the industry."

Communications experts suggested that companies in such disputes should agree to arbitration, have a cooling-off period during which they cannot cut service and warn all customers of any disruption.

Few customers were warned in advance, leaving many people unable to figure out why they could not access Web sites, use Internet phones or send e-mail.

After customers complained, Level 3 restored its link to Cogent on Oct. 7 and agreed to keep it open until Nov. 9, allowing time to negotiate a new agreement.

Level 3 and Cogent have spent the past week blaming each other.

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The dispute boils down to Level 3's claim that it was carrying a disproportionate amount of Cogent traffic and should be paid for it. Cogent said it had sent more traffic to Level 3 but only at the other firm's request. A Level 3 executive said he was not aware that his company had made such a request.

Neither side made provisions to arrange connections with other Internet "backbone" providers, which would have kept all their customers connected after the cutoff.

Level 3 appeared chastened by the experience but said government regulation was not needed because the market policed itself.

"It was the customers screaming that got things going again," Level 3 President Kevin J. O'Hara said in an interview. He hopes not to cut off any customers in the future. "We learned a lesson here."

Cogent chief executive David Schaeffer said the government should step in.

"I am a guy who is anti-regulation. . . . I am also a realist," he said. "There is a place for a regulator to ensure the quality and ubiquity of service."

It is unclear how much of the Internet was inaccessible to Cogent and Level 3 customers. Cogent said as many as 5 percent of Web sites may have been affected, while Level 3 put the estimate at roughly 1 percent.

Depending on the site, any loss of service can be devastating for businesses.

"If you take out one of the legs that holds up the chair, it all tumbles down surprisingly quickly," said Paul F. Ryan of Ulysses Financial LLC, a New York investment banker who lost access to the Groove Networks Web site that he and his colleagues use to track deals, send instant messages and coordinate their work across the country. "You get back to the dark ages of having to pick up the telephone."

It took Ryan two days to get his Groove Networks access back.

"I am trained as a Harvard free market economist and should be spouting the party line that the free market solves everything," Ryan said. "There needs to be government policing authority to stop this from happening because at this point too much relies on it to make it just a decision between two guys having a pissing match."

Some Cogent customers remain angry that they were victims of a commercial dispute between two companies that appeared to have played a game of chicken, with Level 3 threatening to cut off Cogent and Cogent all but daring it to do so.

Buckley said she was considering spending \$450 more a month to get a backup provider and was wondering whether to leave Cogent altogether. "I am trying to think of a reason to stay," she said.

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**HEADLINE: LEVEL 3, COGENT RESOLVE DISPUTE;
FEUD DISRUPTED INTERNET TRAFFIC**

BYLINE: Jeff Smith, Rocky Mountain News

BODY:

Broomfield-based Level 3 Communications and rival Cogent Communications reached an agreement Friday on carrying each other's traffic, three weeks after a dispute led to computer users being temporarily blocked from portions of the Internet.

In a joint news release, the companies said they had agreed to exchange traffic, subject to specific payments if certain volume and other commitments aren't met.

The issue involved a so-called "peering" agreement that enables networks to connect to each other so Internet traffic can be moved without disruption.

Level 3 claimed Washington, D.C.-based Cogent was sending far more traffic than agreed upon, and on Oct. 5, Level 3 disconnected the peering point, saying it had given Cogent advance notice that would occur.

Internet service for some was disrupted for nearly three days before Level 3 agreed to set a new deadline of Nov. 9. The disconnection affected customers of both companies, and it was serious enough that a federal lawmaker called on the Federal Communications Commission to consider arbitrating the case.

Cogent initially claimed up to 17 percent of Internet traffic was affected, but Cogent Chief Executive Dave Schaeffer said Friday that independent groups have since determined about 4 percent to 5 percent of Internet traffic was affected by the service disruption. Those figures, said by others to be too high, couldn't immediately be verified Friday.

On Friday, Level 3 and Cogent praised the new agreement.

"We're pleased with the modified agreement and believe it is in the best interests of Level 3 and users of the Internet," Jack Waters, Level 3's executive vice president and chief technology officer, said in a statement.

Schaeffer called the agreement a "very equitable solution and, hopefully, other major network operators will think long and hard before disrupting any interconnection."

Schaeffer said the company heard from lawmakers, FCC officials and state attorneys general, "but ultimately this was a business decision made between the two companies."

An FCC official didn't immediately respond to calls for comment.

Level 3 didn't comment beyond its statement. But Level 3 President Kevin O'Hara apologized to customers during the company's recent third-quarter conference call as he talked about the company's efforts to make its traffic-exchange agreements more equitable.

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"In one instance this quarter, a number of Level 3 customers and Cogent customers were hurt as we pursued this strategy," O'Hara said. "I apologize to both sets of customers. . . . We recognize that we have an obligation to customers of the Internet and, in this instance, we contributed to letting them down."

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